

Council on Postsecondary Education
September 18, 2005

KEES Update

The Kentucky General Assembly established the Kentucky Education Excellence Scholarship program in 1998. The KEES program was designed both as a merit scholarship incentive to retain Kentucky's most capable students in Kentucky and as an incentive fund to increase college enrollment. KEES awards are based on a cumulative high school grade point average of 2.5 or higher, with extra weighting given for Advanced Placement and International Baccalaureate courses and additional credit given for ACT scores of 15 or higher. Students receive a maximum award of \$2,500 per year.

Public awareness of the KEES program has expanded, and the program has broad support. From a policy perspective, the KEES program has several attractive elements:

1. No separate application is required. Students least familiar with the financial aid process are able to benefit from the program. Kentucky students enrolled in Kentucky postsecondary institutions simply see their awards credited to their college bills.
2. A 2.5 GPA threshold provides a financial incentive for college going for students who might not otherwise attempt it.
3. Adding an additional award for ACT scores calibrates the award to a national standard and provides an incentive for students to attempt the ACT.

Still, nearly 40 percent of the students who receive KEES scholarships do not retain them in their sophomore year in college. For some, this is because they are unable to maintain the required college GPA of 2.5. To ensure that more KEES recipients are better prepared for college-level work, many (including the Prichard Committee's Task Force on High Achieving High Schools) have recommended policy changes to increase the likelihood that KEES scholarships lead to college success.

In 2005, administration of the KEES program shifted from the Council to the Kentucky Higher Education Assistance Authority. During this year the staffs from both agencies and the Kentucky Department of Education have discussed several policy issues that might lead to changes in the KEES program, including revising the KEES curriculum, raising the threshold for awarding supplemental ACT awards, increasing the amount of KEES awards for Jeff Green scholars, and expanding the use of KEES awards for dual credit or graduate coursework or for part-time and adult learners (see attachment). The agencies are meeting with various stakeholders across the state to discuss these issues.

KEES Policy Issues

September 1, 2005

1. Should the KEES curriculum be revised to meet postsecondary expectations?

Rationale:

- Students earning KEES scholarships should be taking courses that prepare them for postsecondary education.
- The current structure of the KEES curriculum and monitoring system provides an incentive for students to take less challenging courses for a higher cash reward.
- Nearly 40 percent of students receiving KEES scholarships do not retain them in their sophomore year, in part because they do not maintain a 2.5 GPA their freshman year in college. Some KEES funds are used to pay tuition for remedial courses. Taking more challenging courses in high school may have the short-term effect of a lower cash award, but the long-term effect of retaining the scholarship throughout college and degree completion.

Concerns:

- If postsecondary preparatory courses are not available to all students, low-income and minority students will be less eligible for KEES awards.
- The short- and long-term impact of revising the KEES curriculum to meet postsecondary expectations is difficult to calculate. In the short term, students would likely earn a lower GPA, and thus a smaller KEES award. In the long term, students would be better prepared for college, maintain their GPA eligibility, and keep their KEES awards through graduation.

2. Should Kentucky's minimum high school graduation requirements be revised to meet postsecondary and skilled workplace expectations so that they could be used as the KEES curriculum? A single rigorous curriculum could include:

- 4 credits in English
- 4 credits in mathematics (including algebra 1, geometry, and algebra 2)
- 3 credits in science (biology, physics, and chemistry, with at least two lab-based)
- 3 credits in history and social sciences
- 2 credits in a language other than English
- 4 credits in rigorous electives (which can be technically applied courses)

Total: 20 courses

Rationale:

- All high school graduates should be prepared for some form of postsecondary education and skilled employment, and entry-level expectations of colleges and employers in skilled fields have virtually converged. (See The American Diploma Project's report, *Ready or Not: Creating a High School Diploma That Counts*, 2004.)
- Establishing high school graduation requirements for *all* students (with a default option for special needs) will reduce the achievement gap by preventing low-income and minority students from being "tracked" out of a curriculum that does not prepare them for college or skilled employment.
- Several state and national policy reports recommend raising the level of rigor of the high school curriculum (e.g., The National Commission on the High School Senior Year, The American Diploma Project, and the Prichard Committee's Task Force on High Achieving High Schools).

- Clifford Adelman's *Answers in the Tool Box* (U.S. Department of Education) concludes that the single greatest predictor of a high school student eventually earning a bachelor's degree is the rigor of the high school curriculum undertaken. This overrides race/ethnicity, gender, and socioeconomic status.

Concerns:

- A rigorous common core curriculum will increase the demand for teachers in shortage areas and enhanced professional development for the current teaching workforce.
- Students in predominantly low-income schools could be more likely to be assigned teachers who are unprepared to teach a college- and workplace-ready curriculum.
- Kentucky's drop-out rate might increase.

3. Should Jeff Green Scholars (students with a 4.0 GPA all four years of high school and a 28 composite score on the ACT) receive an additional KEES award of \$1,500?

Rationale:

- As a merit-based scholarship, one purpose of the KEES program is to keep talented Kentucky high school graduates in the Commonwealth. Awarding an additional \$1,500 to Jeff Green Scholars will increase the incentive to keep them in Kentucky.

Concerns:

- The estimated fiscal impact of increasing KEES awards to Jeff Green Scholars is \$1,275,000 the first year and close to \$6 million after four years.
- Jeff Green Scholars are the most likely to receive both in-state and out-of-state scholarships, and \$1,500 would be an inadequate incentive to alter their college selection.

4. Should the KEES ACT supplementary award threshold of 15 (composite) be raised? To 18? 20? 22?

Rationale:

- ACT, Inc., national research shows that a composite score of 15 does not indicate readiness for college. Setting an award threshold at 15 sends a misleading message to high school students. In 2003, over a third of KEES recipients did not return their sophomore year, thus losing eligibility for some of their initial award.
- The Council on Postsecondary Education requires Kentucky's public postsecondary institutions to provide academic assistance (remedial placement, enhanced courses, or additional placement assistance) to all admitted students earning an ACT sub-score of less than 18 in reading, English, or mathematics.
- ACT, Inc., national research correlates an ACT sub-score of 18 in English with readiness for first-year college writing and an ACT sub-score of 22 in mathematics with readiness for college algebra. Kentucky's statewide placement policy reflects these correlations.

Concerns:

- Raising the KEES ACT supplementary award threshold would have a disproportionate effect on low-income and minority students who have the least access to curricula that would prepare them to earn a higher ACT score.
- The KEES program, unlike merit scholarship programs in many other states, effectively focuses on college access for first-generation college-goers. Awarding an initial ACT bonus at 15 may serve as an incentive to students who might otherwise not attempt the ACT.

- The short- and long-term fiscal impact of raising the ACT threshold is difficult to determine. In the short term, the size of the increase would be balanced by fewer students meeting the threshold. In the long term, if the incentive were effective, more students would earn higher award amounts and complete college successfully, thus increasing the fiscal impact on the KEES program.
- The estimated fiscal impact of a compromise position, retaining the current ACT award threshold at 15 but offering a bonus award beginning at 22 (to reflect college readiness and to provide an incentive for greater achievement) ranges from \$900,000 to \$2,500,000 per year, depending on the size of the incentive for higher scores and whether or not students scoring in the 15-21 range are held harmless.

5. Should the grading scale for KEES awards calculation be standardized?

Rationale:

- Current lack of standardization across districts encourages grade inflation and more lenient grading scales to increase KEES awards.

Concerns:

- This could be seen as an intrusion on the role of site-based councils and local school control.
- Standardization of grading scales does not guarantee equal performance across districts or schools nor does it guarantee against grade inflation.

6. Should KEES awards be calculated by GPA for KEES courses annually, so KEES curriculum can be taken in middle school (though awarded in high school)?

Rationale:

- Students should not be deterred by KEES award policy from taking courses (such as algebra 1) whenever they are ready.

Concern:

- Changing the calculation formula for KEES will require statutory change.

7. Should extra weight be allocated for dual credit courses taken in the pre-college curriculum (including the four electives), just as AP and IB courses are given extra weight?

Rationale:

- Currently, AP and IB courses are given extra weight in KEES award calculation. College courses taken in high school should be similarly encouraged.

Concern:

- The state currently does not have standards regarding the nature or content of dual credit courses to guarantee that they offer accelerated content.

8. Should Kentuckians who have completed undergraduate study out of state be allowed to use their allotted KEES funds for graduate school in Kentucky?

Rationale:

- To reach the national average in educational attainment by 2020, Kentucky will have to double the number of adults holding a bachelor's degree *or higher*. Kentuckians who return to complete graduate programs in Kentucky are more likely to work in Kentucky than those completing graduate programs in other states. Allowing use of KEES funds for graduate school in Kentucky is consistent with Kentucky's policy goals.

Concerns:

- KEES funds should be restricted to undergraduate study until more Kentuckians are undergraduate completers.
- It is unclear that this incentive would significantly affect student decision-making regarding graduate school selection and enrollment.
- The estimated fiscal impact of expanding use of KEES funds to graduate study ranges from \$800,000 to \$1,200,000 per year.

Other policy questions:

9. Should KEES awards be used to fund dual credit course-taking?
10. Should KEES awards be used to fund adult learners, part-time students, and transfer students?

The work group is delaying making significant recommendations for change. Over the next few months, the Kentucky Board of Education will review Kentucky's minimum high school graduation requirements, and the staffs of all three agencies are awaiting the results of this review. Should the minimum graduation requirements be revised to a curriculum that is predictive of postsecondary success and appropriate for the KEES program, KEES revisions could be proposed simply to reflect the new KBE standards. If curricular or other revisions remain necessary, they can be proposed subsequently.

Any changes affecting high school graduates would be phased in over a period of time to allow students, teachers, school districts, and institutions that educate teachers to prepare for the changes.